



**City of Minneapolis
Information & Technology Services**

Memorandum

To: Council Member Zerby

From: Nancy Larkey , Contract Administrator

Date: March 19, 2003

Subject: Contract Increases

Thank you for taking the time and interest to review the ITS Master Contract process. If you have the opportunity, take a look at

www.ci.minneapolis.mn.us/citywork/city-coordinator/its/mastercontract.html

It provides the information regarding the contract process. The packet I provided has prints of that site.

Please note that increasing master contracts does not affect expenditures of funds directly. Only approved appropriations allow purchase of services. The Council is charged with approving increases in Master Contracts in order to monitor fairness toward all Master Contractors. Frequent increase of a single master contractor or scope needs impartial review.

General Information

The ITS Master Contract system was developed to widen the number of companies that provide technology services in an effort to reduce cost and find the best resources. It should be noted that it has saved the City money and increased the competence levels of the selected resources. The City went from 10 preferred vendors to over 50 State pre-qualified vendors. The State has a rigorous process in order to be qualified. The process changed from calling a few vendors to publishing openings on the public web site. The requirements to participate reduce City's exposure to risk because of better legal and insurance requirements. The ITS Master Contract system serves all City department in need of technology services. Currently Minneapolis Police Department and Public Works as well as ITS have resources selected and contracts let.

The RFP process yields resources without regard to the company that employs them. Therefore, it is sometimes difficult to estimate which companies will have resources selected. When some companies are more successful in finding the best candidates, the contract amounts do require increases.

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Contract Increases

1-2 Another Consulting, Inc. C-17944

The request for an increase in 1-2 Another Consulting is not needed. With the changes that occurred over the last 2 months, projects needing those resources have been eliminated.

Hollstadt & Associates, Inc. C-16397

The City Council on June 22, 2001 approved an increase of up to \$4,000,000.

Briefly: Current contract let totals \$4,300,498.

Amount expended or to be spent shortly \$3,841,672.

Requesting an increase to \$5,000,000 from \$4,000,000 (previously authorized)

Third Wave Partnership C-16867

Briefly: Current contract let totals \$741,370

Amount expended or to be spent shortly \$765,105

Requesting an increase to \$1,500,000 from \$750,000 (base limit)

Contract-Scope Increases

Third Wave resource Marvin Bachmeier, Scope 1

The City Council on February 21, 2002 approved an increase to \$300,000.

Briefly: Current contract let totals \$313,640

Amount expended or to be spent shortly \$313,640.

Requesting an increase to \$500,000.

Third Wave resource Chuck Pilon, Scope 2

The City Council on February 21, 2002 approved an increase to \$300,000.

Briefly: Current contract let totals \$313,640

Amount expended or to be spent shortly \$313,640.

Requesting an increase to \$500,000.

Messrs. Bachmeier and Pilon work on 911 public safety technology. It is planned that ITS reduces the use of these resources down to one. Whichever one is not engaged at other clients will perform the work. To enable reaching the available resource, both scopes need the increase.